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# PROGRESS REPORT

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## INTERLOOP LIMITED QUARTERLY PROGRESS REPORT

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FOR QUARTER ENDED ON MARCH 31<sup>st</sup>, 2021



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# PROGRESS REPORT

## Projects

This Progress report is being submitted in compliance with the requirement of the Pakistan Stock Exchange Letter # PSX/Gen-5311, Dated November 20, 2018 and the Securities & Exchange Commission of Pakistan's Letter # SMD/CIW/SA-88/06/2018 dated December 21, 2018.

**Interloop Limited carried out a successful IPO in March 2019 to finance the following two projects:**

- Denim Unit in Lahore; Denim stitching unit
- Hosiery Division V in Faisalabad, Khurrianwala; A Socks knitting unit

**We are pleased to share the implementation report of the projects mentioned above.**

## Denim Division — Implementation Update

The denim division is located at 8 km Manga Raiwind Road, Lahore and has been functional since November 2019 as originally planned. Building & Infrastructure for the entire project is nearly fully complete.

### Phase 1:

We have successfully completed first phase of the project by installing capacity of 20,000 units per day. The project started its commercial operation since Second Quarter FY2020. COVID-19 Pandemic has effected the marketing activity and our ramp-up plans. However, the project is gradually making its place in European and North American markets.

### Phase 2:

In second phase, it is planned to enhance the capacity to 40,000 units per day. The project is completed in terms of infrastructure since nearly 83% of the budget has already been consumed. However, considering the impact of COVID-19 which has adversely affected the economies and demand all across the globe, the project activities has been slow down. *(Progress related to Denim project has been detailed in Annexure I)*

The management is striving to bring the first phase into profit before going in to second phase of the Denim Project.

Project cost has been enhanced to PKR 8.325 billion from initial estimate of PKR 6.75 billion for Denim project due to the devaluation in PKR and trial run losses. The increase in cost will be financed by internal cash generation. *Utilization of project cost is given in detail in Annexure II.*



## Hosiery Division V — Implementation Update

**Phase 2** of Pilot Unit for Plant 5 had been completed successfully and the unit is currently operating with 430 knitting machines utilizing existing infrastructure. The production capacity is 12,000 dozen per day, which equates to roughly 29% capacity of the main plant designed to produce 42,000 dozen per day.

During the quarter under consideration, Company established LC's to import 580 knitting machines along with necessary axillary equipment and machines to boost the capacity.

The Land for the project had already been procured. Construction activities are paced up and the foundation of Building completed up to plinth level and now PEB structure is in commissioning phase. Furthermore, the excavation of unit # 1 was completed and PCC work is in progress. *(Progress related to project can see in Annexure III)*

The management is now aggressively working to complete the project to cater market demand.

Project cost has been enhanced to PKR 5.9 billion from initial estimate of PKR 4.5 billion for the project due to the devaluation in PKR and trial run losses. The increase in cost will be finance by internal cash generation. Utilization of project cost is given in detail in Annexure IV.

Sd/-

**Muhammad Maqsood**  
President / Group CFO



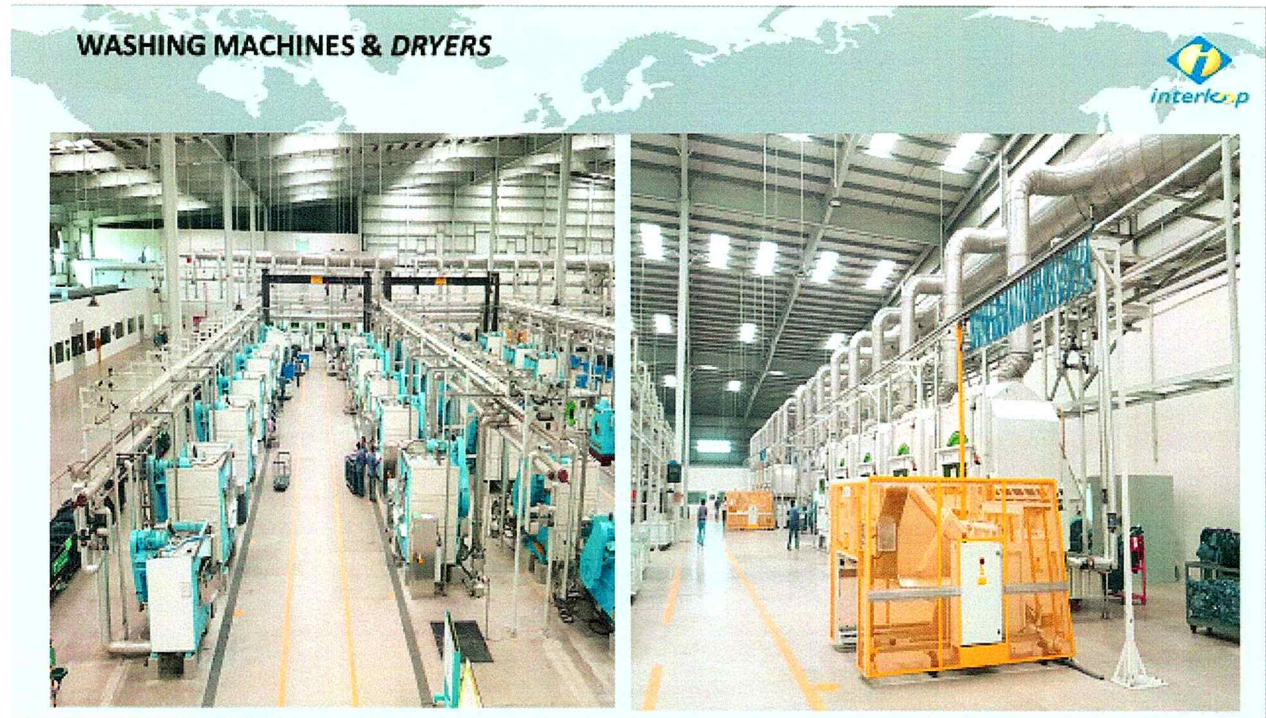
Sd/-

**Rana Ali Raza**  
Company Secretary



## Annexures

### Progress related to Denim Project Annexure I





## DISTRESS AREA & OVEN



## Robotic Spray Booth & Ozone Machines





## Utilization of Denim Project Cost Annexure II (PKR)

Budget Description	Final Approved	PO Issued/LC Established	Actual Payment to Suppliers/Vendors	Available Balance	% age Consumed based on PO
Denim - Construction of Building Setup	2,460,852,632	2,443,313,380	2,337,291,706	17,539,252	99.29%
Denim - Procurement of Machinery	3,342,771,114	2,680,059,300	2,513,616,853	662,711,814	80.17%
Denim - Power & Utilities	1,322,750,505	949,248,914	890,929,179	373,501,591	71.76%
Denim - Manufacturing System, Computers and IT Equipment	303,295,870	205,869,176	186,957,020	97,426,694	67.88%
Denim - Miscellaneous Expenses	249,053,099	143,883,725	133,739,375	105,169,374	57.77%
Pre Commencement Expenses / Trial run losses	646,276,780	449,926,780	449,926,780	196,350,000	69.62%
<b>TOTAL</b>	<b>8,325,000,000</b>	<b>6,872,301,275</b>	<b>6,512,460,913</b>	<b>1,452,698,725</b>	<b>82.55%</b>

Project cost has been enhanced to PKR 8.325 billion from initial estimate of PKR 6.75 billion for Denim project due to the devaluation in PKR and trial run losses. The increase in cost will be financed by internal cash generation.




## Progress related to Plant V Annexure III





## Utilization of Project Cost of Plant V Annexure IV (PKR)

Budget Description	Final Approved	PO Issued/LC Established	Actual Payment to Suppliers/Vendors	Available Balance	% age Consumed based on PO
Plant V - Construction of Building Setup	1,289,000,000	1,055,896,081	358,732,428	233,103,919	81.92%
Plant V - Procurement of Machinery	2,956,000,000	2,481,693,973	951,467,380	474,306,027	83.95%
Plant V - Power & Utilities	1,286,000,000	735,494,745	175,864,686	550,505,255	57.19%
Plant V - Computers and IT Equipment	43,000,000	1,315,140	1,236,750	41,684,860	3.06%
Plant V - Miscellaneous Expenses	135,000,000	-	-	135,000,000	0.00%
Pre Commencement Expenses / Trial run losses	200,000,000	-	-	200,000,000	0.00%
<b>TOTAL</b>	<b>5,909,000,000</b>	<b>4,274,399,939</b>	<b>1,487,301,244</b>	<b>1,634,600,061</b>	<b>72.34%</b>

